

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 FBO-02 EURE-00 /015 W  
-----031529Z 039780 /53  
O 031420Z FEB 77  
FM AMEMBASSY BUDAPEST  
TO SECSTATE WASHDC IMMEDIATE 7856

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E.O. 11652: N/A  
TAGS: HU AFSP PFOR ABLD  
SUBJECT: PENDING HOUSING REQUESTS WITH DSD

REF: STATE 022615

1. THERE HAS BEEN NO MOVEMENT ON PENDING HOUSING REQUESTS  
WITH DSD SINCE JANUARY 11 DISCUSSION BETWEEN CHARGE MUDD  
AND BARTHA. STATUS AND BACKGROUND OF REQUESTS AS FOLLOWS.

2. EMBASSY SUBMITTED TO THE DSD THREE WRITTEN REQUESTS  
FOR HOUSING WHICH ARE STILL PENDING:

A. JUNE 21 1976 REQUEST FOR TWO-BEDROOM APARTMENT  
(FOR DAO OPERATIONS COORDINATOR) TO BE AVAILABLE BY JUNE 1,  
1977;

B. AUGUST 27, 1976 REQUEST FOR TWO-BEDROOM APARTMENT  
FOR FAMILY OF FOUR PEOPLE (TCU) ARRIVING NOVEMBER 1, 1976;

C. SEPTEMBER 17, 1976 REQUEST FOR APARTMENT OR HOUSE  
FOR VICE CONSUL ARRIVING IN DECEMBER 1976.

3. DSD REPLIED SEPTEMBER 22, STATING THEY HAD NOTED  
OUR SECOND AND THIRD REQUESTS, BUT HAD NO HOUSING TO  
OFFER AT THAT TIME.

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4. ON NOVEMBER 2 EMBASSY REQUESTED STATUS REPORT ON  
SECOND AND THIRD REQUESTS, NOTING THAT BOTH EMPLOYEES  
WOULD ARRIVE THE BEGINNING OF DECEMBER.  
DSD REPLIED (NOVEMBER 10 NOTE) THAT NOTHING WAS AVAILABLE;  
ASKED FOR EMBASSY'S UNDERSTANDING AND PATIENCE; AND  
SUGGESTED EMBASU CONTACT COOPTOURIST, A GOVERNMENTAL

RENTAL AGENCY, DEALING PRIMARILY IN FURNISHED, TEMPORARY QUARTERS.

5. ON NOVEMBER 17, ADMIN OFFICER AND GSO MET WITH DSD HOUSING DIRECTOR (BITTA). DSD AGAIN REFERRED EMBASSY TO SAME RENTAL AGENCY TO HOUSE TWO DECEMBER ARRIVALS. EMBASSY STATED IT WOULD CONSIDER THIS ONLY A SHORT-TERM AND UNSATISFACTORY SOLUTION AND ASKED DSD TO CONTINUE LOOKING FOR UNFURNISHED APARTMENTS. DSD SAID THEY WOULD CONTINUE LOOKING, BUT HAD NOTHING TO OFFER AT THAT TIME. WHEN ASKED IF THE FIRST REQUEST DATED JUNE 21 WOULD BE HONORED, DSD REPLIED THAT ONE APARTMENT WOULD BE AVAILABLE IN SUMMER OF 1977.

6. ON DECEMBER 9, ADMIN OFFICER AGAIN MET WITH DSD HOUSING DIRECTOR. EMBASSY STATED PROBLEM HAD BECOME URGENT, SINCE BOTH EMPLOYEES (HOAK AND FERGUSON) HAD ARRIVED AND WERE

LIVING IN TEMPORARY QUARTERS (ONE IN N EMEGV FAMILY OF FOUR IN ANOTHER OFFICER'S RESIDENCE). DSD SAID OTHER EMBASSIES HAD SIMILAR PROBLEMS AND HAD EVEN THREATENED TO SEND THEIR EMPLOYEES HOME. EMBASSY RECEIVED PERMISSION TO CONTACT OWNERS AND INSPECT APARTMENTS ADVERTISED IN NEWSPAPERS, ON ITS OWN, PROVIDED EMBASSY NOTIFIED DSD WHEN IT LOCATED AN APARTMENT TO LEASE. EMBASSY HOWEVER WAS DENIED PERMISSION TO PLACE ADS IN NEWSPAPERS, WITH INFERENCE THAT THIS WOULD UNDULY STRAIN THE HOUSING MARKET IN A CITY OF 2.2 MILLION PEOPLE.

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7. SINCE NOVEMBER 17, EMBASSY OFFICERS AND FSL'S HAVE VISITED AT LEAST 12 APARTMENTS WHICH THEY LOCATED WITHOUT HELP OF DSD. THE ONLY TWO WHICH HAD MINIMALLY ACCEPTABLE FACILITIES HAVE SINCE BEEN "WITHDRAWN, HOWEVER, BY THEIR OWNERS," THE EMBASSY WAS INFORMED BY THE RENTAL AGENCIES.

8. EMBASSY ON ITS OWN, HAS SINCE CONTACTED NOT ONLY COOPTOURIST, BUT ALSO IBUSZ AND VOLAN RENTAL AGENCIES. IBUSZ LAST WEEK INFORMED EMBASSY THAT TWO LARGER (FIVE-ROOM) APARTMENTS WHICH WERE LISTED WITH THEM HAD BEEN "WITHDRAWN BY OWNER," BECAUSE OF NEW TAX LAW WHICH HEAVILY TAXES RENTAL INCOME.

9. ANOTHER ASPECT: DSD HOUSING DIRECTOR, DURING DECEMBER 9 MEETING, SAID HE WOULD AUTHORIZE COOPTOURIST TO SHOW "HOUSE FOR FAMILY OF FOUR" TO EMBASSY. BOTH COOPTOURIST AND VOLAN, OVER PERIOD OF EIGHT WEEKS, GAVE EXCUSES

DAILY TO EMBASSY, POSTPONING VISIT TO THIS HOUSE. ON THEIR OWN INITIATIVE, EMBASSY OFFICERS ARRANGED MEETING WITH HOMEOWNER JANUARY 31, ONLY TO DISCOVER THAT HOUSE IS TOTALLY INADEQUATE, VERY RUN-DOWN, AND HAS ONLY TWO BEDROOMS; AND THAT FURTHERMORE OWNER WISHES TO SELL (AND NOT RENT) HOUSE FOR \$150,000.

10. COMMENT: WE NOTE THAT FROM TIME TO TIME CERTAIN FOREIGN BUSINESSES AND OTHER EMBASSIES DO END UP OBTAINING SUITABLE HOUSING BY GOING OUTSIDE OF CHANNELS AND, IN SOME CASES, WE HAVE REASON TO BELIEVE BY MAKING SOME FORMS OF INDIRECT PAYMENTS. THUS IT APPEARS THAT SUITABLE HOUSING IS AVAILABLE UNDER CERTAIN CONDITIONS. BUT THIS EMBASSY HAS STAYED WITHIN NORMAL ADMINISTRATIVE CHANNELS, FEELS THE PRESENCE OF THOSE OF ITS STAFF MEMBERS WHO ARE STILL WITHOUT HOUSING, AND SEES NO EVIDENCE TO INDICATE THAT DSD IS ANY CLOSER TO OFFERING A SOLUTION LIMITED OFFICIAL USE

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THAN IT WAS LAST FALL.  
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## Message Attributes

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